



BILLING CODE (3410-XY-U)

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Rural Utilities Service

7 CFR Part 4290

RIN 0570-AA80

Rural Business Investment Program

AGENCY: Rural Business-Cooperative Service and Rural Utilities Service, USDA.

ACTION: Correcting amendment.

SUMMARY: The Rural Business-Cooperative Service is making several technical amendments to correct the Rural Business Investment Program (RBIP) regulation, including one to conform to the 2008 Farm Bill provision that allows a Rural Business Investment Company two years to raise its capital.

DATES: Effective date. This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Michael Foore, U.S.
Department of Agriculture, 1400 Independence Ave., SW,
Washington, DC, 20250; telephone number: (202) 690-4730;
email: michael.foore@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Need for Correction

On June 8, 2004, the Agency published an Interim Rule for the Rural Business Investment Program (RBIP) (69 FR 32200). Since then, the Food, Conservation, and Energy Program of 2008 (the 2008 Farm Bill) was enacted. The 2008 Farm Bill affects several provisions of the RBIP rule, including the amount of time a RBIC has to raise its regulatory capital. Specifically, section 6027(c) requires RBICs to have a period of two years to meet the capital requirements.

On December 23, 2011 (76 FR 80217), the Agency published an amended RBIP Interim Rule, with request for comment, which addressed, among other items, the provisions of the 2008 Farm Bill. One of those changes was adding a new paragraph (§ 4290.210(c)) that addresses the time frame that each RBIC will have to meet the capital requirements.

However, the Agency did not make a conforming change to § 4290.390(a)(1), where a 12-month period for raising the regulatory capital is referenced. Through this Notice, the Agency is conforming § 4290.390(a)(1) to the 2008 Farm Bill by removing reference to the 12-month period.

In addition, the Agency is:

- replacing "debenture" with "licensure" in the table of contents to 7 CFR 4290 and in the title to § 4290.3041;
- correcting § 4290.3003 to reference the "Small Business Administration" rather than the "Small Business Association" and removing an unnecessary reference to the Small Business Administration; and
- correcting the cross-reference to § 4290.340(d) in § 4290.3010 to § 4290.340(a) and limiting its applicability to ensuring that applicants are evaluated in a fair and consistent manner.

List of Subjects in 7 CFR Part 4290

Community development, Government securities, Grant programs-business, Securities, Small businesses.

For the reasons stated in the preamble, part 4290 of Chapter XLII of Title 7 of the Code of Federal Regulations

is amended as follows:

**CHAPTER XLII - RURAL BUSINESS-COOPERATIVE SERVICE AND RURAL
UTILITIES SERVICE, DEPARTMENT OF AGRICULTURE**

**PART 4290 - RURAL BUSINESS INVESTMENT COMPANY (RBIC)
PROGRAM**

1. The authority citation for part 4290 continues to read as follows:

Authority: 7 U.S.C. 1989 and 2099cc *et seq.*

2. Paragraph (a)(1) of § 4290.390 is revised to read as follows:

§ 4290.390 Licensing as a RBIC.

(a) * * *

(1) Raise the specific amount of Regulatory Capital that the Applicant had projected in its application that it would raise (see § 4290.210 for additional information).

* * * * *

3. Section 4290.3003 is revised to read as follows:

§ 4290.3003 Responsibilities for implementing Non-leveraged RBICs.

Section 4290.45 does not apply to Non-leveraged RBICs. Instead, for the purposes of this part as it applies to Non-leveraged RBICs, all authorities and responsibilities assigned to the Secretary under this part shall be carried out by the Secretary. Thus, when applying subparts A through N of this part to Non-leveraged RBICs, all references to the Small Business Administration (SBA) or Administrator on behalf of USDA shall be read as the Secretary. All forms shall be submitted to USDA or its designee.

4. Paragraph (b) of § 4290.3010 is revised to read as follows:

§ 4290.3010 Application and Approval Process for RBIC licensing without leverage.

* * * * *

(b) The provision for evaluating applicants on a competitive basis, as specified in § 4290.340(a), does not apply to this subpart.

* * * * *

5. The section heading of § 4290.3041 is revised to read as follows:

§ 4290.3041 Events of default and the Secretary's remedies for RBIC's noncompliance with terms of licensure.

* * * * *

Dallas Tonsager
Under Secretary
Rural Development

January 22, 2012

Date

[FR Doc. 2012-1969 Filed 01/31/2012 at 8:45 am; Publication
Date: 02/01/2012]